

settlement ought to be full money returned to those individuals. Yet they were willing to go halfway and go with \$20.5 million. That is what we were talking about last year, that is not what we ended up with. So don't get the feeling that the 8.5 is all that we agreed to, that the Lincoln senators and everybody were happy with the 8.5 million. Nobody felt that that was a reasonable settlement at least in our estimation. So what I am saying to you is that clearly the state had a role to play, they were the oversight agency. The reports, if you look at the Commonwealth report, from the bank examiners time and again pointed out paper transactions are where their profits are, and they were very worried about that and pointed out the problem. Yet they allowed that to continue. And they allowed it to continue and they knew that something was going to happen and they put it off and Mr. Amen put it off and he testified to that effect. When we finally got around to closing that institution, it was so far gone \$40 million was lost to these people. The state was responsible for that. There is no doubt about it in my mind. In a report that was issued by the Commonwealth committee, again David Domina was asked about the reasons for failure by Senator DeCamp. And he went through the list once again, first and foremost and overwhelming was the nature of the insider real estate transactions. Second would be the extension of credit without any equity in the project financed with persons who had little meaningful net worth. The third would be pervasive significant weakness in the institution's management. And on and on. And Senator DeCamp says, okay, I think from my observations I would agree with you. Now my final question, when would you say these things occurred in terms of the quantity of dollars from the different institutions, the transactions that were occurring, the various things you described? Approximately what time frame are most of them, let's say over half, set in place or locked in place? Mr. Domina's answer, between January 1, 1977, December 31, 1979.

SPEAKER NICHOL: One minute.

SENATOR WESELY: Exactly at that point is when the Banking Department allowed Commonwealth into the NDIGC, and shortly after that, in 1980 I believe, they allowed the NDIGC to go from 10,000 to 30,000 dollars. Well, all of this was going on prior to that, and much of it known to the Banking Department. They allowed first to have some sort of